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IMMEDIATE RELEASE

NEWARK (March 23, 1990) The New Jersey Performing Arts Center, to be built in the heart of the Newark business district, will become a magnet for an annual audience of 650,000 people and will increase economic activity in the State by \$35 million and in the City of Newark by \$25 million annually, according to an Economic Impact Study announced today. The construction phase of the Center and the surrounding Cultural District will generate 10,400 construction jobs and stimulate \$1 billion of new economic activity for the State.

The anticipated economic impact of the NJPAC was unveiled today at a press conference attended by Governor Jim Florio, Newark Mayor Sharpe James, and representatives of the State and City economic development and cultural communities. Henry E. Kates, president and CEO of Mutual Benefit Life and a NJPAC Board member, hosted the conference.

The firm of Hamilton, Rabinovitz & Alschuler, Inc., which conducted the research, has completed similar economic impact studies for many clients, including the Javits Convention Center, the City of Los Angeles and the United States Air Force.

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"The New Jersey Performing Arts Center, to be built in Newark, will be a tribute to the creative spirit of our New Jersey community, as well as a source of nourishment," said Governor Florio. "As this public/private partnership builds, we will see the coming together of a real community. Not simply an arts community, not simply the Newark community, but a community which involves and benefits all New Jerseyans."

Mayor James said, "The single most dramatic change brought about by NJPAC will be the nightlife created by the hundreds of thousands of people who will be drawn to downtown Newark. They will be attracted not only by concerts and theater, but also by restaurants, cafes and the enjoyable ambience of the Performing Arts Center. The Center will provide and stimulate all the evening, weekend and daytime activities that any great city must have. This is the single most important development project in this century for Newark."

The New Jersey Performing Arts Center, a private, non-profit corporation, is a partnership of the State of New Jersey, the City of Newark and the private sector, created to plan, build and operate a world-class center for the performing arts in the heart of the State's largest city. Backed by a strong commitment from a Board of Directors which includes many of New Jersey's leading citizens and the chairmen and chief executives of some of the State's largest corporations, NJPAC has assembled a nationally recognized professional team of managers, planners and other experts to convert the vision into reality.

The Economic Impact Study, which was funded by the Victoria Foundation, Inc., is based on the projected completion of a Concert Hall in 1994; a Multi-Use Theatre in 1996; a Dance/Drama Theatre in 1998 and associated private development. The NJPAC strategy also calls for a "Cultural District," a master plan for the area surrounding the NJPAC site, with the goal of maximizing the stimulative effect of the NJPAC investment and creating a vibrant, privately developed context within which the NJPAC can thrive.

The analysis calculated the impact of construction and operations of NJPAC and its effect on the surrounding Cultural District; the indirect impact of NJPAC operational spending and that of its audiences; and estimates of the tax revenue flowing to the City and State as a result of the new economic activity.

The annual anticipated audience will be almost one half million by 1997 and 650,000 upon completion. That audience will spend more than \$9 million annually on restaurants, hotels, cafes, parking, transportation and shopping. When combined with artists and NJPAC operations spending, the total will reach more than \$12 million annually. The spending potential of audiences is an important factor in NJPAC planning and a key reason for creating a surrounding Cultural District with restaurants, retail and other amenities to "capture" that potential.

The study concludes that substantial waves of additional economic activity will be generated both locally and statewide. The spending will produce an additional \$35 million of economic

activity on the State level each year, with \$28 million of that flowing through the local Newark economy. The "wave effect" will generate over 475 permanent jobs in the State, including 380 in the Newark area.

In addition to the annual economic effects from the operations of the Arts Center, there will be an important boost to the New Jersey economy from construction.

"The Performing Arts Center will provide a superb setting for multi-cultural artistry of national and international renown," said NJPAC President Lawrence P. Goldman. "But it will also be much more than that. NJPAC will be a focus of pride and recognition for New Jersey and an effective economic engine to continue and accelerate the revitalization of the State's largest city. It is an investment that makes sense."

"Planned cultural districts have been a key to inner city revitalization in Cleveland, Pittsburgh, Dallas and elsewhere," he continued. "New Jersey, where culture is already thriving and the population is among the most sophisticated anywhere, has every chance of equaling and exceeding these success stories."

Over the construction period of the cultural district, the State will collect more than \$21 million in tax revenues attributable to the NJPAC development; the City, \$19 million. The statewide economic activity generated by the full decade of NJPAC and the Cultural District development is estimated at \$850 million to over \$1 billion, with the majority of that activity occurring within the Newark economy.

That scale of economic activity will sustain a huge number of construction and construction related jobs. More than 10,000 new jobs will be available in the State and over 65 percent of those jobs will be available in the Newark economy.

The property and other tax revenue returned to the City of Newark from the operation of NJPAC and its associated development, and the taxes the NJPAC investment will leverage within the Cultural District, will add more than \$3.4 million annually to the collections of the City of Newark.

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